

NSW New Brn

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D.C. BAR
** ALSO A MEMBER OF OHIO BAR

LAW OFFICES
ALVORD AND ALVORD 13015
200 WORLD CENTER BUILDING
918 SIXTEENTH STREET, N.W.
WASHINGTON, D.C.
20006

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

TELEX
440348 CDAA UI

MAR 27 1981 -4 02 PM

INTERSTATE COMMERCE COMMISSION

March 27, 1981

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No.

Date MAR 27 1981

Fee \$ 50.00

ICC Washington, D. C.

Dear Madam:

Enclosed for recordation pursuant to the provisions of Section 11303(a) of Title 49 of the United States Code and the regulations thereunder is a Chattel Mortgage Assignment and Security Agreement dated as of ~~April 13~~ ^{March} 13, 1981 ("Document").

A general description of the railroad equipment covered by the Document is found in Exhibit A attached hereto and made a part hereof.

The names and addresses of the parties to the Document are:

Debtor: Emons Industries, Inc.
490 East Market Street
York, Pennsylvania 17403

Secured Party: The Chase Manhattan Bank,
National Association
1441 Broadway
New York, New York 10013

The undersigned is agent for the Debtor for the purpose of submitting the enclosed document for recordation and has knowledge of the matters set forth therein.

Please return the stamped copies of the Document to the undersigned or to the bearer hereof.

Also enclosed is a remittance in the amount of

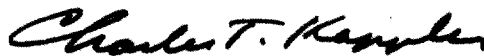
RECEIVED
MAR 27 3 55 PM '81
FEE OPERATING BR.
I.C.C.

C. T. Kappler
C. J. Kappler

Ms. Agatha L. Mergenovich
Interstate Commerce Commission
March 27, 1981
Page Two

\$50.00 in payment of the required recordation fee.

Very truly yours,


Charles T. Kappler

CTK/lac
Enclosures

EXHIBIT A TO CHATTEL
MORTGAGE, ASSIGNMENT AND
SECURITY AGREEMENT

<u>Class</u>	<u>Owner</u>	<u>Unit</u>	<u>H.P.</u>
NW2	Emons Industries, Inc.	81	1000
SW9	"	82	1200
SW8	"	83	800
SW9	"	84	1200
NW2	"	85	1000
GP7	"	86	1500

100 COPY
23

March 23, 1981

CHattel Mortgage
Assignment and
Security Agreement

13015
RECORDATION NO. 1426

MAR 27 1981 -4 00 PM

INTERSTATE COMMERCE COMMISSION

EMONS INDUSTRIES, INC., a New York corporation, (hereinafter called the "Company"), in consideration of the granting by THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION) (hereinafter called the "Bank") of a credit facility up to, but not exceeding, in the aggregate principal amount at any one time outstanding the lesser of (a) \$10,000,000, or (b) 80% of the Borrowing Base (as defined in the Agreement dated as of September 1, 1978 between the Company and the Bank), and in order to secure the payment of the principal of an interest on the Notes (as defined in the aforementioned Agreement) and to secure the payment of all other indebtedness hereby secured and the performance and observance of all the covenants and conditions in the aforementioned Agreement; does hereby sell, convey, warrant, mortgage, assign, pledge, grant a security interest in, and hypothecate unto the Bank, its successors and assigns, the following described properties, rights, interest and privileges (all of such properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral"):

- (a) Railroad equipment consisting of six locomotives (said equipment to be more specifically described in Exhibit A

attached hereto) and together with all accessories, equipment, parts and appurtenances attached to any of the railroad equipment, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of, and additions, improvements to, any and all of said railroad equipment;

(b) All right, title and interest of the Company, as Lessor in any Lease or Leases or Conditional Sales Agreements, to any and all rents and other sums due and to become due pursuant to the said Lease or Leases or Conditional Sales Agreements, including any and all extensions and renewals thereof, insofar as the same cover or relate to the railroad equipment described in Exhibit A; it being the intent and purpose hereof that the assignments and transfer to the Bank of said rents and other sums to become due under the Lease or Leases or Conditional Sales Agreements, shall be effective and operative immediately and shall continue in full force and effect and the Bank shall have the right to collect and receive said rents and other sums and to apply same in payment of the Notes hereinbefore mentioned;

The Company represents and warrants: (i) Company has title to the Collateral free and clear of all liens and encumbrances; (ii) no financing statement covering any of the Collateral is on file in any public office; and (iii) its certificate of incorporation does not prohibit the security interest granted herein and the execution of this Agreement will not violate any law or any agreement to which it is a party.

The Company covenants and agrees that Company: (i) will keep the Collateral or cause the Collateral to be kept in good working order, repair and running condition, and will replace any worn, broken or defective parts; (ii) will promptly pay all taxes levied or assessed against the Collateral and will keep the Collateral free and clear of all liens, attachments and encumbrances; (iii) will allow the Bank and its representatives free access to the Collateral at all reasonable times for the purpose of inspection; (iv) will promptly notify the Bank in writing of any loss to the Collateral; (v) will indemnify the Bank against all claims arising out of or connected with the ownership or use of the Collateral; (vi) will reimburse the Bank upon demand for all expenses incurred in connection with perfecting the security interest granted herein or the satisfaction thereof; (vii) will not abandon the Collateral; (viii) will not sell, assign, lease, mortgage or otherwise dispose of any interest in the Collateral unless said sale, lease, assignment, mortgage or other document is subordinate to the Bank; and (ix) will not use or permit the Collateral to be used for any unlawful purpose or in violation of any Federal, state or municipal law, statute or ordinance.

The Company hereby assigns to the Bank any and all moneys (including, but not limited to, proceeds of insurance, return or unearned premiums) which may become due under any policy or agreement insuring the Collateral against any loss due

to destruction, and directs the insurance company issuing such policy or other party to make payment thereof directly to the Bank. The Bank may, at its option, apply any insurance or other moneys so received to the cost of repairs to the Collateral and/or to payment of any of the Notes, in any order the Bank may determine, whether or not due, and shall remit any surplus to the Company. The Company irrevocably appoints the Bank as the Company's attorney-in-fact, with full power of substitution, to receive all such moneys, to execute proof of claim, to endorse drafts, checks and other instruments for the payment of money payable to the Company in payment of such insurance moneys, to adjust and compromise any claim, to execute releases, to cancel any insurance policy covering the Collateral when such policy is not required to protect Company's or the Bank's interest and to do all other acts and things that may be necessary or required to carry into effect the power herein granted.

The Company agrees that whenever a default shall be existing, the Bank shall have the following rights and remedies to the extent permitted by applicable law: (a) to enter the forgoing premises or such place or places where any of the Collateral may be located and take and carry away the same by any of its representatives, with or without legal process, to Company's place of storage; (b) to sell the Collateral at public or private sale, whether or not the Collateral is present at such sale and whether or not the Collateral is in the constructive

possession of the Bank or the person conducting the sale, in one or more sales, as an entirety or in parcels, for the best price that the Bank can obtain and upon such terms as the Bank may deem desirable; (c) to be the purchaser at any such sale; (d) to require the Company to pay all expenses of such sale, taking, keeping and storage of the Collateral, including reasonable attorneys fees; (e) to apply the proceeds of such sale to all expenses in connection with the taking and sale of the Collateral, and any balance of such proceeds toward the payment of the Notes in such order of application as the Bank may from time to time elect; (f) to require the Company to assemble the Collateral upon the Bank's demand, at the Company's expense and make it available to the Bank at a place designated by the Bank which is reasonably convenient to both parties; and (g) to exercise any one or more rights or remedies accorded by the Uniform Commercial Code. If the proceeds of any such sale are insufficient to pay the expenses, as aforesaid, and the Notes, the Company agrees to pay any deficiency to the Bank upon demand and if such proceeds are more than sufficient to pay such expenses and Notes, the Bank agrees to pay the surplus to the Company.

If at the time of repossession of any of the Collateral, the Collateral contains other personal property not included in the Collateral, the Bank may take such personal property into custody and store it at the risk and expense of the Company. The Company agrees to notify the Bank within 48 hours after repossession.

sion of the Collateral of any such other personal property claimed and that failure to do so will release the Bank or representatives from any liability for loss or damage thereto.

At the request of the Bank, the Company will join with the Bank in filing this Chattel Mortgage, Assignment, and Security Agreement. The Company hereby authorized Bank to file a financing statement signed only by the Bank in all places where necessary to perfect the Bank's security interest in the Collateral. Without limiting the foregoing, the Company agrees that whenever a Lease or Conditional Sales Agreement requires the Company to sign a financing statement for filing purposes, the Company hereby appoints the Bank or any of the Bank's representatives as the Company's attorney and agent, with full power of substitution, to sign or endorse the Company's name on any such financing statement or other document and authorizes the Bank to file such a financing statement in all places where necessary to perfect the Bank's security interest in the Collateral; and the Company hereby ratifies all acts of said attorney and said substitute and agrees to hold the Bank and said attorney harmless from any acts of commission or omission or any error or judgment or mistake of fact or law pertaining thereto.

This Chattel Mortgage, Assignment and Security Agreement is in addition to, and not in limitation of, any other right and remedy the Bank may have by virtue of any other instrument or agreement heretofore, contemporaneously herewith or hereafter

executed by the Company or by law or otherwise. If any provision of this Chattel Mortgage, Assignment and Security Agreement is contrary to applicable law, such provision shall be deemed ineffective without invalidating the remaining provisions hereof. If and to the extent that applicable law confers any right or imposes any duty inconsistent with or in addition to any of the provisions hereof the affected provision shall be considered amended to conform thereto. The Bank shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder. A waiver by the Bank of any right or remedy hereunder on any one occasion, shall not be construed as a bar to or waiver of any such right or remedy which the Bank would have had on any future occasion nor shall the Bank be liable for exercising or failing to exercise any such right or remedy. It is expressly understood and agreed that whenever the service of any notice to the Company is required hereby or is otherwise required, such notice may be sent to the Company by ordinary mail to the address shown in the aforementioned Agreement, and if so mailed, such notice shall be deemed sufficient notice thereof.

This Chattel Mortgage, Assignment and Security Agreement shall be construed in accordance with the laws of the State of New York.

This Chattel Mortgage, Assignment and Security Agreement shall be binding upon and shall inure to the benefit of

the Company, the Bank and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed all as of the day and year first above written.

Attest:

J. M. [Signature]
[Signature]

Attest:

Lawrence S. [Signature] A.T.

EMONS INDUSTRIES, INC.

By:

[Signature]
Title: V.P.

THE CHASE MANHATTAN BANK
(National Association)

By:

Thomas H. Vogel
Title: Assistant Treasurer

STATE OF *NEW YORK*)
COUNTY OF *NEW YORK*) : ss.:

On the *23rd* day of *MARCH*, 1981, before me came *JOSEPH S. MALTESE*, to me known, who being by me duly sworn, did depose and say that he resides at *BALDWIN, MARYLAND*; that he is *VICE PRESIDENT* of *EMONS INDUSTRIES, INC.*, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Amy M. Blumberg

AMY M. BLUMBERG
Notary Public, State of New York
No. 41-1710335
Qualified in Queens County
Commission Expires March 30, 1982

STATE OF *New York*)
COUNTY OF *New York*) : ss.:

On the *24th* day of *March*, 1981, before me came *Thomas H. Vogel*, to me known, who being by me duly sworn, did depose and say that he resides at *New York, N.Y.*; that he is *Assistant Treasurer* of *THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION)*, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

William Forster

WILLIAM FORSTER
Notary Public, State of New York
No. 52-6831224
Qualified in Suffolk County
~~Certificate Filed in New York County~~
Term Expires March 30, 1982

EXHIBIT A TO CHATTEL
MORTGAGE, ASSIGNMENT AND
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